

## Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10

SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00

DOE-11 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-05 USIA-06 OES-07 SP-02 SS-15 STR-07

TRSE-00 ACDA-12 PA-01 PRS-01 /158 W

-----117386 020633Z /14

R 011645Z FEB 78

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 5000

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

USINT BAGHDAD

AMCONSUL DHAHRAN

C O N F I D E N T I A L VIENNA 00948

E.O. 11652: GDS

TAGS: ENRG, OPEC

SUBJECT: OPEC SPOKESMAN COMMENTS ON CURRENT ISSUES

1. IN EXTENDED CONVERSATION WITH EMBOFFS, OPEC

INFORMATION CHIEF ZAHERI SPOKE ABOUT VARIOUS OPEC

POLICY AND MANAGEMENT ISSUES. THE MOST IMPORTANT FOLLOW.

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2. PRICE DEVELOPMENTS -- ZAHERI CONFIRMED A STATEMENT

REPORTED RECENTLY IN THE PRESS THAT NO OIL PRICE

INCREASE WAS ANTICIPATED THIS YEAR. ACKNOWLEDGING THAT

A NUMBER OF OPEC MEMBERS WERE UNHAPPY WITH THIS SITUATION,

HE STATED FLATLY THAT HE SAW NO WAY THAT THEY COULD GET

THOSE MEMBERS COMMITTED TO PRICE STABILITY TO CHANGE

THEIR POSITION. IN HIS VIEW THE TWO AREAS WHERE POLICY CHANGES MIGHT OCCUR WERE RELATIVE VALUES OF OPEC CRUDES TO ONE ANOTHER AND DOLLAR-BASED PRICING. EVEN HERE, HOWEVER, ZAHERI SEEMED FAR FROM CERTAIN.

3. PEREZ PROPOSAL -- ZAHERI SAW NO FUTURE FOR VENEZUELAN PRESIDENT PEREZ' PROPOSAL FOR LDC DEBT RELIEF AND, IN FACT, CONSIDERED IT DEAD. HE DESCRIBED IT AS HASTILY CONCEIVED FOR DOMESTIC POLITICAL PURPOSES AND EXPRESSED SURPRISE THAT THE VENEZUELAN LEADER HAD PROCEEDED TO MAKE IT AN ISSUE AT CARACUS. IN THE OPEC SPOKESMAN'S VIEW THE PROPOSAL HAD RECEIVED NO ENCOURAGEMENT FROM ANY OTHER MEMBER COUNTRY BEFORE IT WAS FORMALLY PRESENTED, AND NONE AFTER. HE ALSO EXPRESSED DISAPPOINTMENT THAT AN OPEC HOST WOULD SEEK TO TAKE ADVANTAGE OF A CONFERENCE IN SUCH A MANNER.

4. OPEC RESTRUCTURE -- ZAHERI WAS PLEASED THAT THE MINISTERS HAD ACCEPTED THE SECRETARY GENERAL'S PROPOSALS WHICH GIVE HIM A STRONGER VOICE IN HIRING FOR AND RESTRUCTURING THE SECRETARIAT. WHILE ACKNOWLEDGING THE NEED FOR "POLITICAL APPOINTMENTS" TO KEY POSITIONS IN WHAT IS ESSENTIALLY A "POLITICAL ORGANIZATION", HE EXPRESSED CONFIDENCE THAT THE AUTHORITY TO HIRE NATIONALS OF NON-OPEC MEMBERS (INCLUDING THE USA) FOR PROFESSIONAL POSITIONS WOULD STRENGTHEN

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STAFF CAPABILITY. HE MENTIONED USING AMERICANS IN OPEC'S COMPUTER OPERATION.

5. SECRETARY GENERAL JAIDAH -- ZAHERI OBVIOUSLY IS IMPRESSED WITH HIS BOSS. DESPITE A LACK OF SENIORITY, JAIDAH'S KNOWLEDGE AND EXPERIENCE IN PETROLEUM MATTERS AND GOOD PERSONAL RELATIONS WITH THE KEY DECISION MAKERS IN MANY MEMBER COUNTRIES NEATLY COMPLEMENTED HIS PERSONAL VIGOR AND AGGRESSIVENESS AND MAKE HIM THE MOST EFFECTIVE SECGEN IN SOME TIME. ZAHERI LAMENTED OPEC PROCEDURES THAT LIMIT THE SECGEN'S TERM TO TWO YEARS, BUT SAW NO LIKELIHOOD THAT THIS WOULD CHANGE. WOLF

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MANAGEMENT, POLICIES, DIPLOMATIC DISCUSSIONS  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
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**Review Markings:**  
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